

WITNESS LIST

Committee on Energy and Natural Resources
Nomination Hearing

Thursday, January 18, 2001
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The Honorable Spencer Abraham
to be Secretary of Energy

INTRODUCTIONS BY:

The Honorable Carl Levin
United States Senator

The Honorable Debbie Stabenow
United States Senator

**TESTIMONY BY SECRETARY OF ENERGY-DESIGNATE
SPENCER ABRAHAM
BEFORE THE
SENATE ENERGY AND NATURAL RESOURCES
COMMITTEE**

January 18, 2001

Mr. Chairman, Senator Murkowski and Members of the Committee, it is a privilege to appear before you today as President-elect Bush's nominee to be Secretary of the Department of Energy. I am extremely honored that the President-elect asked me to serve in this capacity, especially considering the tremendous importance of the energy and national security issues facing the country.

I want to thank you, Mr. Chairman, for moving forward expeditiously with my nomination.

As I look around this room I see many former colleagues and friends. The members of this Committee have genuine expertise on the important and diverse programs at the Department of Energy. If confirmed by the Senate as the next Secretary of Energy, I pledge to work closely with each of you, and draw on your expertise, to address the challenges that lie before the Department and the country.

As each of you know, the missions of the Department of Energy are diverse, complex and vital to our country. The Department of Energy supports the national interest in four critical areas -- national security, energy policy, science and technology, and environmental management. I would like to briefly discuss the Department's role in each one of these areas.

National Security

Paramount among the four missions of the Department is supporting our national security. As you know, more than two-thirds of the Department's funding comes from defense accounts. One of the most sobering and important responsibilities vested in the

Secretary of Energy is the duty to certify to the President each year that the U.S. nuclear arsenal is safe, secure and reliable and I can assure the members of this Committee that nothing I do will be higher on my priority list than the management of our nuclear stockpile.

The Department also plays a critical role in addressing the challenge of nuclear nonproliferation. This nation has an acute interest in accounting for and preventing the spread of nuclear weapons materials and expertise. The Department has had many past successes in this arena and -- working with you -- the Bush Administration will continue those efforts.

With regard to security at the Department's national laboratories, I will only say that this too will be a very high priority of mine. I met with Under Secretary Gordon earlier this week and look forward to working with him to make our national laboratories secure and to make sure that the Department and NNSA functions are effectively performed. Which means that we must also ensure that the highly skilled and patriotic employees at our facilities -- who, by the way, create the nuclear secrets we all agree must be protected -- are treated with the dignity and respect that they deserve.

Energy Policy

The second area where the Department supports the national interest is in the area of energy policy. Certainly recent developments in California's electricity markets and the Northeast's heating oil supply evidence the importance of the Department's responsibility to develop a national energy policy.

President-elect Bush and I are deeply committed to developing an energy policy that includes increasing domestic production of energy in an environmentally responsible manner, increasing our use of renewable energy, decreasing our reliance on imported oil and developing new technologies that conserve fossil fuels and reduce energy-related pollution.

It will take a concerted, cooperative effort -- from both sides of the aisle, each end of Pennsylvania Avenue and from individuals both inside and outside government -- to accomplish these objectives. The American people deserve our best efforts. That much is clear from the experience of the past year -- a year in which Americans worried about the price and supply of gasoline, heating oil, electricity and natural gas. It was also a year in which U.S. oil imports reached an all-time high -- 57 percent compared to 36 percent in 1973-74 when our economy was disrupted by the OPEC oil embargo.

Every day our economy grows more dependent on energy. Just look at the Internet, which accounts for nearly 10 percent of U.S. electricity demand. As the Internet doubles in size every hundred days and e-commerce expands every day, associated electricity consumption has and will continue to rise sharply.

Clearly, our continued economic prosperity is directly linked to assuring adequate supplies of reasonably priced energy. Let me take a moment to put this in perspective.

Over the last decade oil consumption has increased by more than 14 percent while domestic oil production has declined by more than 18 percent. These trends have increased our dependence on imported oil to 57 percent -- our highest level ever. We now import more than 11 million barrels of oil each day -- and DOE estimates that imports will increase to 15 million per day by 2010.

Natural gas prices have more than doubled over the last year in most areas of the country and in some places are much higher.

All of this will drive up the price of goods through increased production and transportation costs.

The Department of Energy is the principal Federal agency charged with responsibility for the development of a national energy policy. However, development of a national energy policy requires coordination with other Federal agencies and working with Congress.

Science and Technology

The third area where the Department supports the national interest is through research in science and technology. For the past six years, I have worked with a number of you and others of our colleagues on a variety of science and technology programs that can improve our economic competitiveness. I cannot stress enough my desire to continue to move this nation forward in this area.

The science and technology programs at the Department have been widely praised and with good reason. The laboratories improve the ability of the Department to perform its national security, environmental management and energy policy missions.

The laboratories also support the activities and missions of other Federal agencies. But, they are much more than that — they are national treasures. I believe the national laboratories can serve the country in many other capacities and look forward to exploring the full potential for partnerships with industry and academia.

Environmental Management

The final area where the Department supports the national interest is in the area of environmental stewardship. As you all know, the Department has the unenviable distinction of implementing the world's largest cleanup program.

In this respect, the Department has an exceptionally difficult challenge in cleaning up and managing the wastes generated during more than 50 years of nuclear weapons production. These problems were not created overnight and certainly we are not going to dispense with them quickly or easily. But we can do a better job of accelerating cleanup and closure of those sites that are surplus to DOE's needs. I pledge to work with Congress and the States to find ways to move the DOE cleanup program forward.

With respect to the nuclear waste program, I share President-elect Bush's commitment to ensuring that sound science governs this program. I share the frustration of members of this Committee with the lack of progress in this area. My commitment is

to make progress on the nuclear waste program while ensuring sound science governs decisions on site recommendation.

DOE Reorganization

Before I close, I would like to move to a topic that I suspect is on more than a few minds in this room. As the members of this Committee know, I supported legislation that would have shifted the various important and vital functions of the Department of Energy to other departments and agencies or the private sector.

While widely-held concerns about the Department's management structure and operational success, combined with the relatively stable nature of our energy markets, led me to support this legislation in the past, a number of new developments have occurred that either significantly addressed these concerns or put them in a new light.

Indeed, the changing energy situation and enactment of the National Nuclear Security Administration Act last year, which restructured the Department to improve agency management, have significantly altered the equation. I assure the Committee that I no longer support this legislation and its various components, such as privatization of the Federal power marketing administrations.

Closing

In closing, let me say again that I am extremely honored that President-elect Bush has chosen me for this position. The missions of the Department are vital to our national interests. If confirmed, I will work with the members of this Committee and others in Congress to carry out these missions to the best of my abilities and in the best interests of the American people.

Thank you.